

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 00115 061515Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 FBO-02 A-01 SY-05 L-03 CPR-01 /025 W

----- 122177

R 061423Z JAN 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 8412

C O N F I D E N T I A L MOSCOW 0115

E.O. 11652: GDS

TAGS: PFOR, ABLD, UR, US

SUBJECT: NEW EMBASSY COMPLEXES

REF: A. STATE 276944

B. STATE 289618

1. AS A FOLLOW UP TO AMBASSADOR STOESSEL'S DECEMBER 9 DISCUSSION WITH KORNIYENKO, EMBASSY OFFICERS MET WITH UPDK ACTING DIRECTOR, M.D. VORONIN ON JANUARY 5 TO REVIEW PROPOSALS SET FORTH IN REFS A AND B.

2. VORONIN BEGAN BY STATING THAT U.S. PROPOSAL FOR OPTION TO RETAIN PRESENT CHANCERY WOULD "REQUIRE REVISION OF U.S.-SOVIET AGREEMENT". HE CLAIMED THAT CURRENT EMBASSY BUILDING BELONGS TO MOSCOW CITY COUNCIL (MOSSOVIET) AND ADDED EMPHATICALLY THAT IT WOULD "NOT BE POSSIBLE TO CHANGE" COMMITMENTS GIVEN FOR RETURN TO MOSSOVIET ON BASIS 1969 AGREEMENT WITH U.S. HE THEN PROCEEDED TO DISCUSS GENERALLY THE SOVIET INTERPRETATION OF 1972 AGREEMENT REGARDING INITIATION OF CONSTRUCTION OF APARTMENT COMPLEX.

3. EMBOFFS POINTED OUT THAT BOTH U.S. AND SOVIETS HAVE SIMILAR OBJECTIVE AT THIS STAGE OF EVENTS I.E. TO FACILITATE OPERATIONS BEFORE THEIR CHANCERIES ARE COMPLETED. IN THE CASE OF THE SOVIET THIS INVOLVES BEGINNING CONSTRUCTION OF APARTMENTS, SCHOOL AND CLUB, AND IN CASE OF THE U.S. IT MEANS OBTAINING AGREEMENT ON THE PROPOSALS UNDER DISCUSSION. VORONIN AGREED TO DISCUSS THE PROPOSALS INDIVIDUALLY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 00115 061515Z

4. STARTING WITH COSTS VORONIN SAID IT WAS A COMPLICATED ISSUE. THE U.S. HAD NOT YET PROVIDED THE SOVIETS WITH SUFFICIENT DETAILS AND WE WERE ASKING THEM TO BUY "A PIG IN A POKE". HE REPEATED ESTIMATE OF R 150-200 PER CUBIC METER GIVEN TO FBO TEAM IN NOVEMBER AND ADDED THAT OBVIOUSLY THIS RANGE COULD BE NARROWED IF THE U.S. SIDE PROVIDED MORE DETAILS. HE ESTIMATES THAT CONSTRUCTION OF THE BUILDING WOULD ACCOUNT FOR ABOUT 40 TO 45 PERCENT OF THE COSTS AND FINISHING FOR ABOUT 40 PERCENT. HOWEVER, THE SOVIET SIDE DID NOT KNOW WHAT MATERIALS WE WILL USE AND WHICH WE WILL IMPORT. HE SAID COSTS WOULD BE COMPARABLE TO SIMILAR FOREIGN PROJECTS IN MOSCOW AND NOTED THE NEW MOSCOW INTERNATIONAL TRADE CENTER BEING BUILT UNDER CONTRACT TO MOSCOW CHAMBER OF COMMERCE BY U.S. AND SOVIET FIRMS, WHICH WILL HAVE BASIC COST AT 152 RUBLES PER CUBIC METER PLUS DOLLAR COMPONENT RESULTING IN TOTAL OF ABOUT 180 RUBLES PER CUBIC METER. HE ADDED THAT THE SOVIETS AFTER LONG DISCUSSIONS AND STUDY ESTIMATE THEIR BUILDING COSTS IN WASHINGTON WILL BE 164 RUBLES PER CUBIC METER. VORONIN ALSO POINTED OUT THAT THE SOVIET SIDE WAS DEMONSTRATING ITS DESIRE TO COOPERATE SINCE UPDK WOULD NOT BE CHARGING ITS USUAL 10 PERCENT FEE.

5. WITH REGARD TO THE EMBASSY'S OUTSTANDING REQUEST FOR 20 ADDITIONAL APARTMENTS IN FY-76 AND 77, VORONIN SAID THAT THIS ISSUE WAS "SOLVABLE", AS WAS THE INCREASED ELECTRICAL SUPPLY FOR THE PRESENT EMBASSY. HE NOTED ALSO THAT UPDK WAS ACTIVELY SEEKING AN ADDITIONAL RECREATIONAL FACILITY AREA. A SITE ON THE KLYASMA RIVER NEAR OUR PRESENT DACHA WAS NOT POSSIBLE, BUT OTHERS WERE UNDER CONSIDERATION. ACCESS TO THE NEW COMPLEX SITE WAS "COMPLICATED", BECAUSE THE SOVIETS ARE PLANNING TO RELOCATE A HEATING PIPE CURRENTLY RUNNING THROUGH THE CENTER OF THE NEW EMBASSY SITE TO NEW LOCATION CROSSING THE STRIP SEPARATING THE PRESENT EMBASSY COMPLEX FROM THE NEW SITE. HE LEFT THE IMPRESSION THAT THIS ITEM WAS NEGOTIABLE ESPECIALLY IF WE WERE TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MOSCOW 00115 061515Z

ACCEPT LESS THAN DIRECT ACCESS FROM THE REAR OF THE PRESENT EMBASSY. WITH REGARD TO STORAGE SPACE, THIS WAS "DIFFICULT" TO FIND IN MOSCOW, BUT IT MIGHT BE POSSIBLE TO SECURE SOME BASEMENT SPACE. EMBOFFS POINTED OUT THAT SUCH SPACE WAS VERY DIFFICULT TO UTILIZE EFFICIENTLY AND ASKED WHETHER OR NOT UPDK COULD PROVIDE PAVED SPACE FOR USE OF SHIPPING CONTAINERS AS STORAGE. VORONIN INDICATED THAT THIS

MIGHT BE POSSIBLE.

7. FINALLY, WITH REGARD TO NEW SPACE FOR THE ANGLO-AMERICAN SCHOOL, VORONIN'S REPLY WAS A FIRM NO. EMBOFFS STRESSED INAPPROPRIATENESS PRESENT CONVERTED RESIDENCES AND NOTED THAT A SOVIET FIRE INSPECTOR HAD POINTED OUT THAT THERE WAS NO WAY THE PRESENT SCHOOL COULD MEET SOVIET FIRE SAFETY STANDARDS. VORONIN AGREED, BUT DID NOT OFFER ANY HOPE OF FINDING NEW SCHOOL SPACE.

8. EMBOFFS CLOSED BY EMPHASIZING THAT U.S. INTENT WAS TO FIND A WORKABLE SOLUTION, THAT INITIATION OF DIALOGUE ON DETAILS WAS HELPFUL START AND THAT INITIAL SOVIET COMMENTS AS GIVEN BY VORONIN WOULD RECEIVE CAREFUL CONSIDERATION.

9. COMMENT: FINDING SPECIFIC COMMON GROUND TO COME TO GRIPS WITH COST FACTORS REMAINS A PROBLEM IN DISCUSSIONS, IN COMPARISON WITH OTHER ISSUES WHICH, ALTHOUGH NOT RESOLVED, ARE RELATIVELY CONCRETE. AS FOLLOW UP TO POINTS ALREADY GIVEN SOVIETS (PARAS 4.B. AND 4.D. REF B) CAN DEPARTMENT PROVIDE INITIAL LISTING OF SERVICES, LABOR AND PRINCIPAL MATERIALS WITH TENTATIVE BREAK-OUT U.S.-SUPPLIED PORTIONS? AS A SUPPLEMENTARY OR PARALLEL APPROACH, WOULD IT NOT BE USEFUL TO ASK FOR BIDS ON SUCH KNOWN ELEMENTS AS EXCAVATION, FOUNDATION AND STRUCTURAL SKELETON CONSTRUCTION? WITH REFERENCE TO VORONIN'S COMMENT (PARA 4 ABOVE) ON COMPARABILITY TO OTHER PROJECTS INVOLVING FOREIGNERS, IS THIS PROMISING AVENUE OR DOES DEPARTMENT HAVE OTHER SPECIFICS IN MIND UNDER PHRASE "VERIFIABLE PRICES NOW IN EFFECT..." AS USED PARA 4.A. REF B? TO ELICIT MORE MEANINGFUL
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MOSCOW 00115 061515Z

ESTIMATES FROM SOVIETS, BELIEVE WE SHOULD AT THIS POINT REFINE EARLIER QUESTIONS AND FOCUS ATTENTION ON THOSE FACTORS ALREADY KNOWN OR DECIDED. MATLOCK

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, HOUSING, CONSTRUCTION, DIPLOMATIC DISCUSSIONS, BUILDINGS & GROUNDS, EMBASSIES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW00115
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760004-0011
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760183/aaaacwae.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 276944
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2004 by ElyME>; APPROVED <01 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW EMBASSY COMPLEXES
TAGS: PFOR, ABLD, UR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006